



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
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Salt Lake City, Utah 84119
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www.ut.blm.gov/saltlake_fo



IN REPLY REFER TO:
3736 (UTW011)
3809 U-73999

APR 30 2010

RECEIVED

MAY 03 2010

DIV. OF OIL, GAS & MINING

Rick Havenstrite
Desert Hawk Gold Corporation
8921 North Indian Trail Road, Ste. #288
Spokane, Washington 99208

Dear Mr. Havenstrite:

On October 15, 2009, the Bureau of Land Management (BLM) Salt Lake Field Office received your proposed modification to the Plan of Operations for the Cactus Millsite serialized U-73999. This document was originally submitted to the Utah Division of Oil, Gas and Mining (UDOGM) as a Notice of Intention to Amend Large Mining Operations (UDOGM permit M/045/049).

The BLM subsequently requested additional information from you to be able to consider your Plan complete. On March 4, 2010, we received a portion of the information requested, however, your application is still considered to be incomplete.

Before we can accept your Plan Amendment as complete, you must provide this office with the additional information required by 43 CFR 3809.401:

- 1) As part of your description of operations, please describe your rock processing activities including crushing equipment and facilities and provide flowsheet of your rock processing circuit [§3809.401(b)(2)(ii)]. Also indicate the location where these operations will take place.
- 2) As part of your description of operations, please show the layout of your process piping including water lines, acid lines, and transfer lines for process solutions. These should be shown in plan view, either on Figure 5 (Proposed Surface Facilities) or on a separate figure. Also provide, as a separate figure, a flowsheet for your leach circuit. Describe the range of anticipated flow rates for your leach circuit.
- 3) In sections 106.9 and 110.2 of your plan, you mention "subjecting the material on the pad to further processing". Does this mean the heap material could possibly be re-processed (by cyanide leaching?) at the conclusion of copper heap leach? State this explicitly in the text of your Plan Amendment.
- 4) A groundwater monitoring and reporting plan as required by Utah Department of Environmental Quality.

- 5) A stormwater plan with watershed calculations, hydrologic designs, and peak flow analysis as requested by UDOGM.
- 6) Your March 4, 2010, response states that the "operation will be a 24/7 operation with no seasonal shutdowns". Please incorporate this statement into the text of your Plan Amendment.
- 7) As discussed in our March 24, 2010, meeting, please state in your Plan Amendment that you plan to demolish and remove all structures from the site at the end of operations. Include this as part of your revised reclamation cost estimate.
- 8) Please provide a description and location of on-site water storage facilities.
- 9) As part of your plan, please provide a table of all chemicals, reagents and hazardous materials to be stored on site including the ones in listed in Appendix 7. Also describe your plans for the safe handling and storage of these materials.
- 10) The Plan Amendment must describe your spill contingency plan [§3809.401(b)(2)(vi)]. For example, describe how you will deal with a release of acid forming, toxic, or hazardous materials (i.e. leachate solution) into the environment, and what measures you will take to prevent such a release.
- 11) A rock handling plan that provides details of how you will transport ore from the Yellow Hammer Mine, including method of transport, dust suppression, traffic safety, etc. [§3809.401(b)(2)(iv)].
- 12) In order to show that the proposed uses and activities will prevent or avoid unnecessary or undue degradation, you must show that they will conform to all applicable federal and state environmental standards by obtaining all required permits and authorizations and meeting the standards required by state and federal law. This includes the ground water discharge permit and leach pad construction permit required by the Utah Department of Environmental Quality.

In accordance with §3809.412, you are not authorized to engage in any of the activities described in your Plan Amendment until this office determines that it is complete, you provide the financial guarantee required under §3809.552, and BLM notifies you that you may begin operations.

Please submit the requested information within 60 days of receipt of this letter. If we do not receive the requested information from you, we will consider your Plan Amendment to be withdrawn.

If you have any questions, or require additional information, please contact Stephen Allen of my staff at (801) 977-4360.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael G. Nelson".

Michael G. Nelson
Assistant Field Manager,
Nonrenewable Resources

cc: UDOGM, Leslie Heppler, 1594 West No. Temple Ste. 1210 Box 145801 SLC, UT
84114-5801

Mr. O. Jay Gatten, North American Exploration, Inc. 447 North 300 West, Suite #3
Kaysville, Utah 84037-4203